

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – FEBRUARY 21, 2002

PRESENT: Commissioners Anthony Maiola and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; George Tsiopras, Chief Accountant; Al Picconi, United Beverages, Inc.

EXCUSED: Chairman John Byrne; Peter Engel, Director of Store Operations; Richard Gerrish, Spirits Marketing Specialist; Nicole Horton, Wine Marketing Specialist

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Store Sales Reports:

The SA1000 report for the week ending February 17, 2002 shows retail sales were up about 2.9%, on-premise sales were up 6%, off-premise sales were up 3.9%, and total aggregate sales were up 3.09%. The traffic count was down by 1,985, but the average sale was up by \$1.16.

The W-1 Total Weekly Sales report for the same period confirms weekly sales increased over the same week last year by 3.09% or \$167,671, and were also up for the year by 6.8% or \$13,875,692. Wine sales for the week were up almost 5.3% or \$135,475, as they were on a year basis by a little over 9% or \$8,322,044. Sales of spirits were also up approximately 2% or \$59,230 for the week, and were up year-to-date by 5.8% or \$6,664,347.

B. Budget Reports:

The current W-6 Expense Budget Activity Variance Report shows the year to be at 64.11% complete, with total agency expenditures at about 62.3%. Classes 50 and 60 continue to be closely observed.

A review of the latest Outstanding Depletions and Post-Offs report indicates there are no vendors or brokers owing outstanding amounts.

The Accounting department is currently juggling many projects. The Law contract has been sent over to the Attorney General's Office and will, hopefully, be approved within the next day or so.

There will be a number of items on the next Governor and Council meeting agenda, among them the contract for janitorial services, an amendment to a rubbish removal contract, and transfers which were approved by Fiscal

Committee but didn't make it in time for the last Governor and Council meeting.

There will be a final coordination meeting regarding upstairs renovations next Friday morning. It is anticipated that tear-down will begin on March 7th and will continue throughout that weekend so everything is completed by the following Monday morning.

2. IT Reports

Howard reported that the contract with Dell came through, and the DITM letter is being prepared this afternoon. The Attorney General's Office has one more piece to submit. Hopefully, the contract will be approved at the March 6th Governor and Council meeting. Equipment would then be received by late March, and desktops installed during April, May and June.

II. MARKETING & SALES REPORTS

1. Store Operations

John Bunnell thanked the Commission for attending the successful roll-out for the Dream Kitchen Give Away at the Capital Center for the Arts.

In reviewing sales by location this past week, John remarked that some stores had outstanding increases regardless of the bad weather, citing #10 Manchester (71%), #11 Lebanon (60%) and #3 Manchester (88.59%).

The remodeling of Store #66 Hooksett has just been completed, and construction is currently going on at the new Conway location. An opening date should be determined soon.

After some discussion, it was moved by Commissioner Maiola, seconded by Commissioner Russell, that new signage be erected at the new Store #11 Lebanon location.

2. Warehouse Report

There was nothing significant to report regarding the latest warehouse report.

3. Purchasing Report

John Bunnell remarked that the current purchasing report shows the out-of-stock situation to be in very good shape.

4. Merchandising Report

A. WINES:

1) Wine Close-Outs:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the placement of one hundred and eight (108) wine products on close-out sale in selected state liquor stores in designated quantities and sale prices, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Special Offers for April 2002:

a. 5 items – Pine State Trading Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Pine State Trading Company based upon depletions of five (5) wine items, to be featured on sale during April 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 16 items – Horizon Beverage Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Horizon Beverage Company based upon depletions of sixteen (16) wine items, to be featured on sale during April 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. 16 items – Horizon Beverage Company:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers from Horizon Beverage Company based upon depletions of sixteen (16) wine items, to be featured on sale during April 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Primary Source Submissions:

a. 1 item – primary source:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine item which is from primary source, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 4 items – imported:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of four (4) wine items which are not from primary source, but are imported, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORTS

None.

IV. CHAIRMAN'S REPORT & LATE ITEMS

1. Bailment Requests:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve all requests for bailment releases/transfers dated February 15 through February 21, 2002. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late Items:

a. Recommended Wine Specialty Products:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve five (5) wine specialty products to be placed in wine specialty stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell,

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Administrator of Marketing & Sales. The motion was unanimously adopted.

Anthony C. Maiola, Commissioner

Patricia T. Russell, Commissioner

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